



MEMORANDUM

TO: The Hon. Sharpe James, Mayor/ JoAnne Watson,
Acting Mayor

FROM: Pamela E. Goldstein, Communication Manager

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RE: Baseball Stadium Cost Overruns

DATE: Monday, June 14, 1999

George Jordan is doing a story on the minor league baseball stadium and asked to speak to the Mayor to get his reaction to the following:

1. the stadium opens one month from Wednesday, and George says what he is being told verbally is different from the bond documents:
 - a. the price tag has gone up to \$33.9 million from the original \$22 million.
 - b. George claims that there was another \$4 million approved for cost overruns in 1998 without public acknowledgment
 - c. In two weeks there will be another bond sale to cover the second cost overrun of \$7.8 million, plus this "secret" \$4million for a total of \$11.8 million.
2. George Jordan also says that annual ticket sales, etc. from the stadium were originally touted as revenue to cover the bond sales, but because we will already be more than halfway through the year when the project opens, the taxpayers will have to cover \$1.6 cost of debt service on the bond payment this year. On this item, aside from the Mayor's/City's reaction, he wants to know how the city will cover its share of the \$1.6 million. He says the county has included it in its operating budget for this year, but it is not delineated in the City's budget.

3. He read from the bond covenant..."the sportsplex operating revenue is not pledged to cover and is not expected to be sufficient to cover the debt service." And, he asked how we reconcile plans to cover the debt service with revenue that is contrary to the covenant.
4. Lastly, he noted that the Ledger, in reviewing the financing on the project, believes that a debt service payment of \$900,000, which was due last year, was taken from the initial \$22 million bond issue, thus also shorting that by \$900,000, which obviously has to be made up someplace else.

Also, Nikita Stewart called about Pablo Fonseca's suspension, which he alleges was because he backed the wrong freeholder candidate and not the one (Hank Martinez), which the Mayor supported. She said Pablo has told her he has hired a lawyer to fight the suspension. I said the City never comments on personnel issues and said I would refer her query to JoAnne.

Cc: Cheryl Johnson, Chief of Staff